
CITY OF KELOWNA

MEMORANDUM

Date: September 3, 2008
File No.: 5280-30
To: City Manager
From: Environment & Solid Waste Manager
Subject: Curbside Cart Tender RFP T08-064, Recommended Vendor

RECOMMENDATION:

THAT Council awards the Automated Curbside Collection Program cart purchase to IPL Inc. at a cost to the City of Kelowna of \$4,417,000.

BACKGROUND:

The City, in partnership with its neighbouring municipalities and the Regional District, are moving toward a new garbage collection, recycling and yard waste collection program. Council recently awarded Okanagan Environmental Waste Systems the Curbside Collection Service Contract for Garbage, Recyclables and Yard Waste, which commences March 31, 2009. Council approved preparation of the borrowing bylaw for the cart purchase in April 2008, an external GSPF (gas tax) funding application in June 2008 and approved the borrowing bylaw in August of 2008.

Staff proceeded with the preparation and issuance of the Cart RFP T08-050. Six companies submitted in July of 2008 but all were disqualified due to errors in their bids. Staff re-issued the Cart RFP T08-064 with five companies submitting proposals. Two were disqualified and three were evaluated: IPL Inc., Toter International and Schaeffer Inc. The evaluation team consisted of City, Regional District and Lake Country technical staff. Evaluation criteria consisted of the following:

- Corporate Strength/ Experience and Qualifications – 10%
- Value – Added Considerations – 5%
- Container Design/Functionality/Quality Requirements/Contingency Plans/Training – 15%
- Sustainability/Environmental Policy/Certifications & Standards – 5%
- Fee Proposal – 65%

IPL Inc. provided the best overall proposal and lowest cost with a total cost of \$7,244,610 for all partners and a City of Kelowna share of \$4,417,000. This price includes radio frequency tags (microchips) and tag readers for each container. IPL was founded in 1939 and is a publicly traded Canadian company with very strong financials, sound references, and excellent sustainability and environmental policies. IPL has been manufacturing waste collection carts since 1991. The company's proposal provided a contingency plan and a detailed schedule for production and delivery. It also provided some superior innovative considerations, such as shrink wrapping the carts for winter delivery (saves storage facility costs) and an on-line web page that lets anyone monitor the cart delivery process, from the manufacturing process to the date of delivery to residents' homes.

Another important criteria met by qualified bidders is that they could meet our schedule, even though the contract award is later than originally planned.

From the RFP results the actual costs of the carts and the collection service is less than originally estimated and will be approximately \$125/year. If the GSPF funding application is successful, the annual costs, including carts, will be even less.

TEST AREA AND TIMELINES:

The collection service contractor, OK Environmental Waste Systems, commenced a test area on the Westside in late August to provide a training area for drivers and service staff. The training will continue until full program roll-out, which is planned to start in mid-January in the regional areas (in sync with existing contracts) and in early March to City of Kelowna residents. The roll-out is expected to be completed by mid to late May.

FINANCIAL IMPLICATIONS:

The cost for the carts will be approximately \$20 annually per household. This cost may be lower, depending on the successful receipt of external GSPF funding. The total cost impacts will be detailed for the 2009 budget.

INTERNAL CIRCULATION TO:

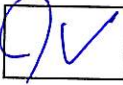
Finance Department.

Considerations not applicable to this report:

LEGAL/STATUTORY AUTHORITY: Essential Service
LEGAL/STATUTORY PROCEDURAL REQUIREMENTS: N/A
EXISTING POLICY: N/A
PERSONNEL IMPLICATIONS: N/A
TECHNICAL REQUIREMENTS: N/A
EXTERNAL AGENCY/PUBLIC COMMENTS: N/A
ALTERNATE RECOMMENDATION: N/A



Mark Watt
Environment & Solid Waste Manager


Approved for Inclusion:
John Vos, Director of Works & Utilities